



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 26, 2011

### **S. 676**

#### **A bill to amend the act of June 18, 1934, to reaffirm the authority of the Secretary of the Interior to take land into trust for Indian tribes**

*As ordered reported by the Senate Committee on Indian Affairs on April 7, 2011*

S. 676 would amend the Indian Reorganization Act to allow the Secretary of the Interior to take land into trust for all federally recognized Indian tribes. Based on information from the Department of the Interior (DOI), CBO estimates that implementing the legislation would have no significant cost. Enacting S. 676 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

Under current law, as established by the Supreme Court's 2009 decision in *Carciari v. Salazar*, the Secretary of the Interior's authority to take land into trust for Indian tribes is limited to those tribes that were federally recognized prior to the enactment of the Indian Reorganization Act of 1934. Under the bill, the Secretary would have the authority to take land into trust for any federally recognized Indian tribe, regardless of when a tribe became federally recognized. Because current law requires DOI personnel to determine which tribes would be eligible to have lands taken into trust, CBO expects that implementing S. 676 could reduce the workload of DOI staff. CBO expects that any savings resulting from that reduced workload would be small and probably would be used by the agency to carry out other activities related to holding land in trust. Thus, we expect that implementing the legislation would have a negligible effect on the federal budget.

S. 676 would impose both intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

S. 676 would limit the ability of public and private entities or individuals to file some types of claims in court related to lands taken into trust for Indian tribes. That limitation would be both an intergovernmental and private-sector mandate. The cost of the mandate would be the forgone value of awards and settlements of such claims if they would have been successful under current law. CBO expects that the annual number of claims involving such land and the value of the awards and settlements in those claims would be small.

S. 676 also would impose an intergovernmental mandate by expanding the authority of DOI to take land into trust for tribes that were not under federal jurisdiction in 1934. Land taken into trust would be exempt from state and local taxes. Given the types and amounts of land typically taken into trust, CBO estimates that the forgone tax revenue to state and local governments from that expansion would be small.

CBO estimates that the cost of all mandates in the bill to intergovernmental and private-sector entities would fall below the annual thresholds established in UMRA (\$71 million and \$142 million in 2011, respectively, adjusted annually for inflation).

The CBO staff contacts for this estimate are Martin von Gnechten (for federal costs), Melissa Merrell (for state, local, and tribal costs), and Marin Randall (for the private-sector impact). The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.